

Legislative Orientation



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December 7, 2010

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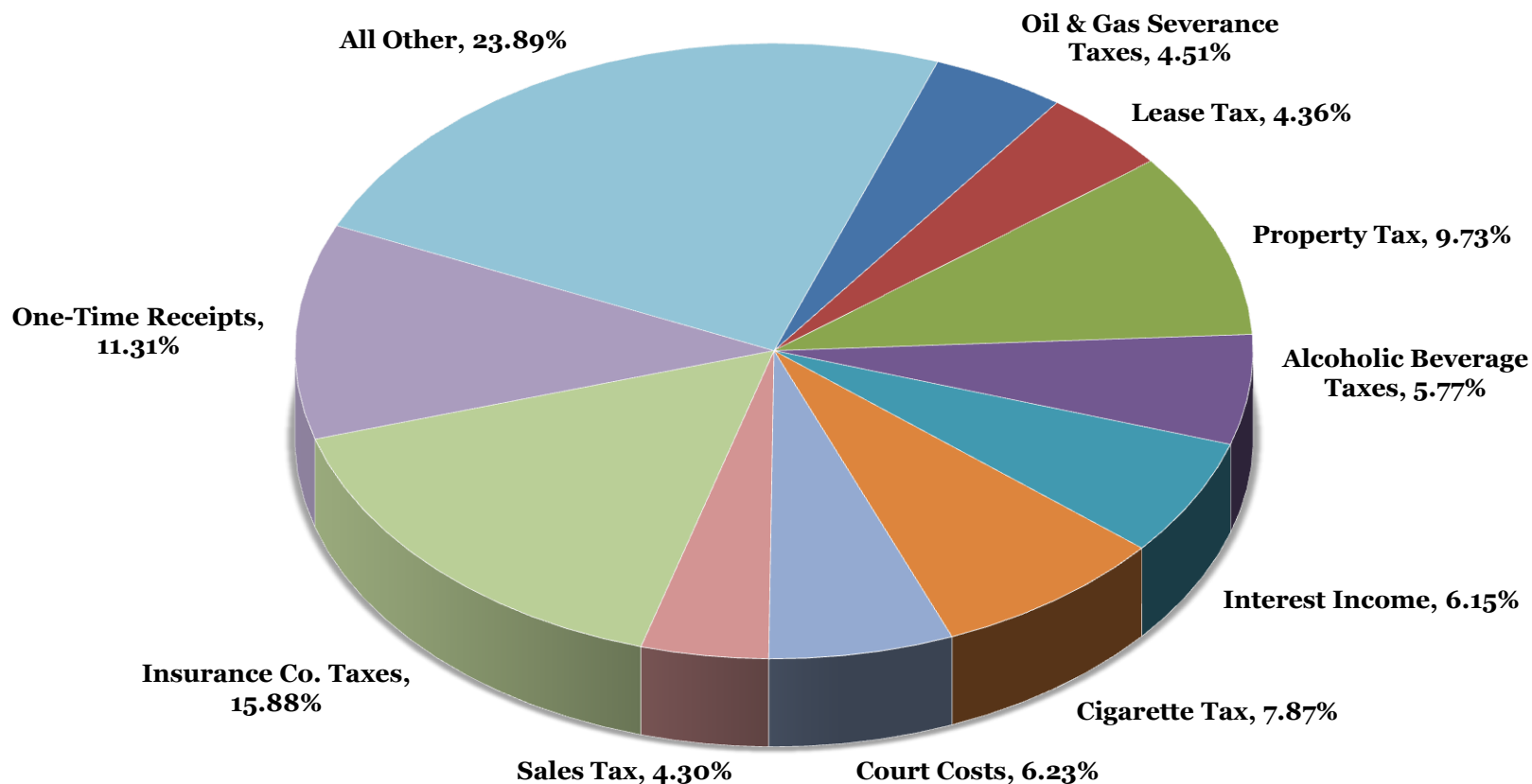
A Timeline of Alabama's Budget Process

- 1. By November 1**
 - A. Agencies submit their budget requests.
- 2. Between Legislative Sessions**
 - A. By statute (Sections 29-2-80 through 29-2-83, Code of Alabama 1975), the Permanent Joint Legislative Committee on Finances and Budgets is required to meet to study the financial condition of the state, hold budget hearings, inquire into ways of financing state government and report its findings and recommendations to the Legislature by the seventh day of the Regular Session.
- 3. January – March***
 - A. The Governor's Budget Recommendation is presented to the Legislature.
- 4. January – June**
 - A. Budgets go through the same legislative process as any general bill
 - B. Budget Isolation Resolution
 - C. Conference Committee
- 5. Governor's Actions**
 - A. Sign
 - B. Veto
 - C. Line-item veto

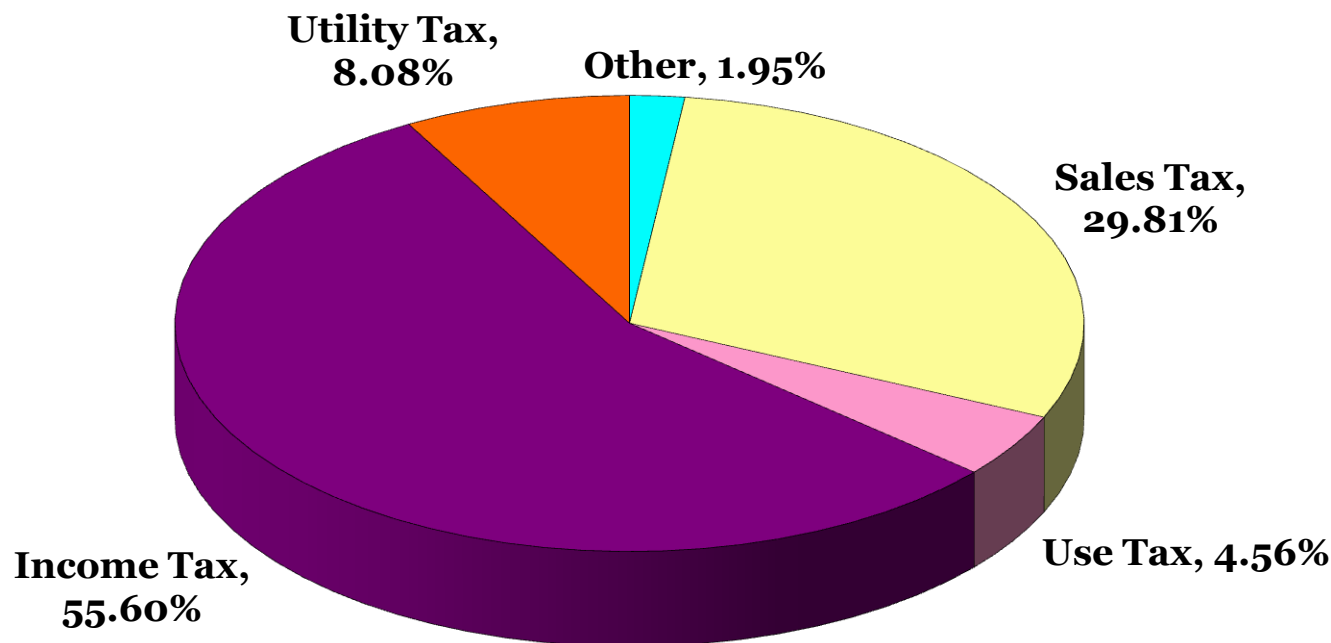
*Pursuant to Section 29-1-4, the time for this submission depends upon the year of the quadrennium.

(2) Totals may not add due to rounding.

Sources of Revenue to the State General Fund FY 2010

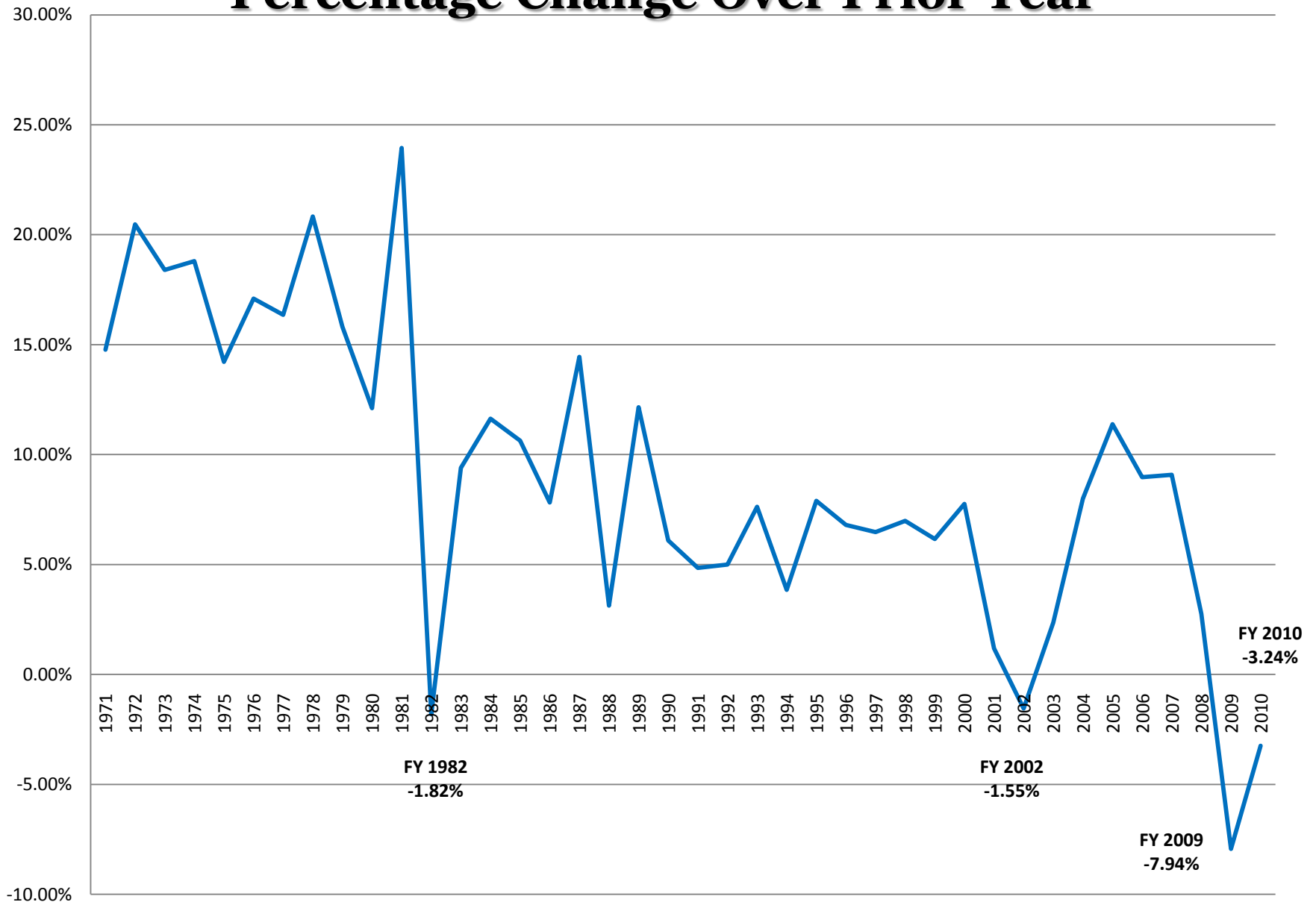


Sources of Revenue to the Education Trust Fund FY 2010

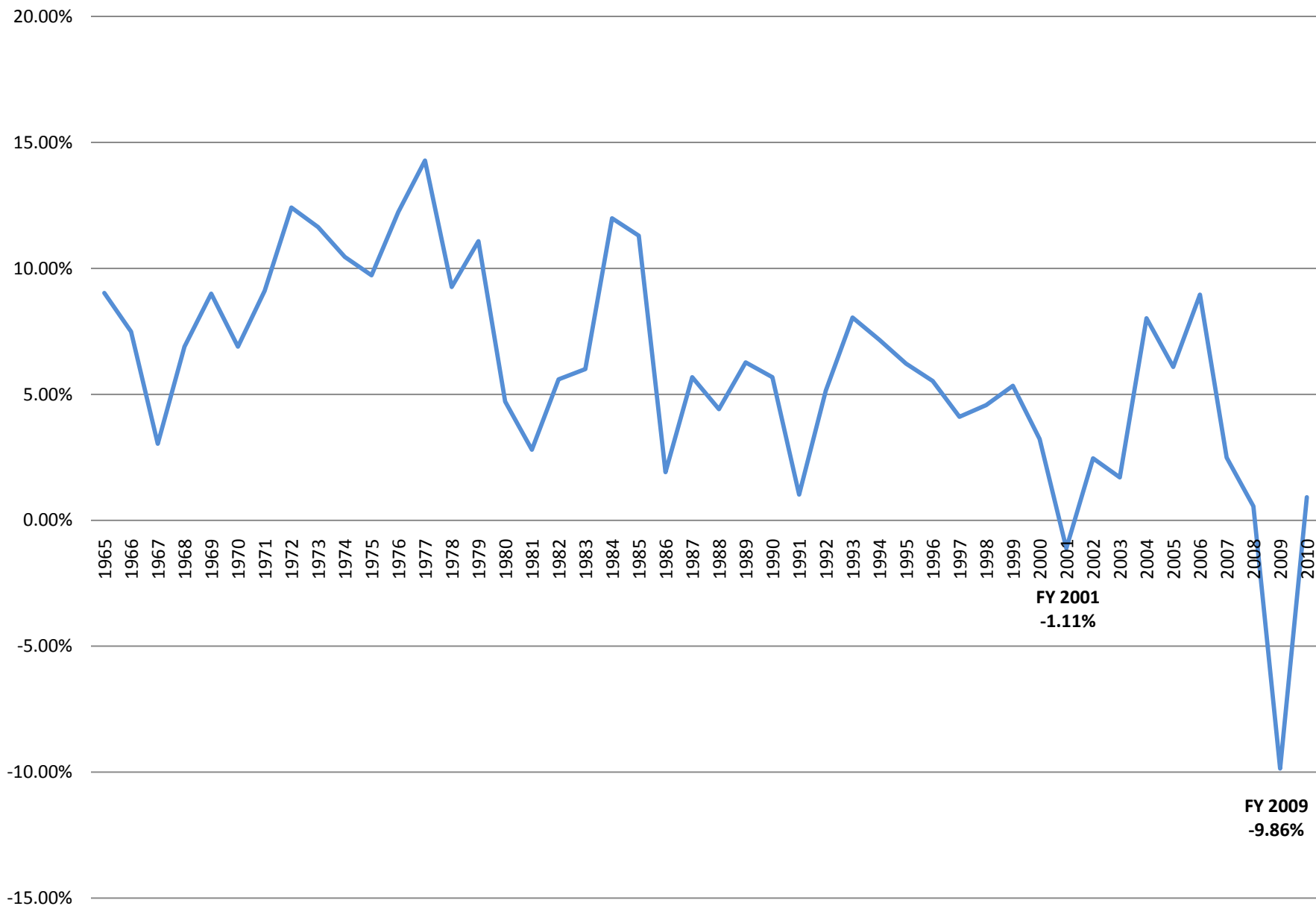


Income Tax Gross Receipts Percentage Change Over Prior Year

Exhibit 5



Percentage Change in Sales Tax Gross Receipts Since 1965



Condition of the Education Trust Fund

Actual Fiscal Years 2008 and 2009

	Actual FY 2008	Actual FY 2009	Difference
TOTAL BEGINNING BALANCE	280,045,027		
Receipts	5,975,258,156	5,241,600,057	
Transfer from Rainy Day Account/Proration Prevention Account	439,372,515	437,520,418	
TOTAL RECEIPTS	6,414,630,671	5,679,120,475	
TOTAL AVAILABLE (beginning balance plus total receipts)	6,694,675,698	5,679,120,475	
TOTAL EXPENDITURES AFTER REVERSIONS	6,694,675,698	5,679,120,475	-1,015,555,223
ENDING BALANCE			

Condition of the Education Trust Fund

Fiscal Year 2010 (Actual) and Fiscal Year 2011 (LFO Estimates)

As of October 31, 2010

	FY 2010	FY 2011
BEGINNING BALANCE	0	11,773,101
TOTAL RECEIPTS	5,217,470,126	5,383,000,000
TOTAL FUNDS AVAILABLE	5,217,470,126	5,394,773,101
TOTAL APPROPRIATIONS AND OBLIGATIONS	5,205,697,025	5,520,368,351
ENDING BALANCE	11,773,101	-125,595,250

ARRA Funding in ETF: FY 2010 and FY 2011

Type	FY 2010	FY 2011	Total
SFSF	\$298.1M	\$298.1M	\$596.2M
Title I/IDEA Funds	\$203.6M	\$ 203.6M	\$407.2M
Total	\$501.7M	\$ 501.7M	\$1.0B

Education Jobs Funds In Alabama

- **Alabama received \$149.5 million from EJJ**
 - Systems will receive \$3,079 per unit, based on FY 2011 units
 - LEAs must use funds by September 30, 2012
 - Funding must be used only for “compensation and benefits and other expenses” necessary to retain existing employees, to recall or rehire former employees, and to hire new employees

Condition of State General Fund

Actual Fiscal Years 2008 and 2009

	Actual FY 2008	Actual FY 2009	Difference	
BEGINNING BALANCE	239,088,035	218,986,877		
TOTAL RECEIPTS^{1,2}	1,814,312,603	1,602,571,656		
TOTAL AVAILABLE (beginning balance plus total receipts)	2,053,400,638	1,821,558,533		
TOTAL EXPENDITURES AFTER REVERSIONS	1,834,413,761	1,716,127,717	-118,286,044	
TOTAL ENDING BALANCE	218,986,877	105,430,816		
1) FY 2008 receipts include one-time receipts of \$117,267,060 in unrealized capital gains from the Alabama Trust Fund; \$85,750,235 from the settlement of the Exxon lawsuit; \$17,023,881 from Department of Corrections asset sales; \$19,000,000 transferred from the Business Privilege Tax Escrow Fund; \$15,000,000 in additional unclaimed property receipts; \$4,746,080 from pharmaceutical settlement; and \$12,237,060 transferred from tobacco settlement revenues.				
2) FY 2009 receipts include one-time receipts of \$38,800,000 transferred from the Incentives Financing Authority; \$108,000,000 transferred from the Business Privilege Tax Escrow Fund; \$52,034,871 from pharmaceutical settlements; \$437,500 from a court order for the 5th Circuit DA; and \$14,025,410 transferred from tobacco settlement revenues.				

Condition of State General Fund

Fiscal Year 2010 Actual and Fiscal Year 2011 (LFO Estimates)

As of October 31, 2010

	FY 2010	FY 2011
TOTAL BEGINNING BALANCE (including Medicaid carryover)	140,309,219	94,694,152
TOTAL RECEIPTS^{1,2}	1,428,088,535	1,455,854,288
TOTAL AVAILABLE (beginning balance plus total receipts)	1,568,397,754	1,550,548,440
TOTAL APPROPRIATIONS AND OBLIGATIONS	1,508,296,048	1,676,636,653
TOTAL ENDING BALANCE	60,101,706	-126,088,213
1) FY 2010 receipts include \$161,565,874 transferred from the Rainy Day Account.		
2) FY 2011 estimated receipts include \$56,091,288 expected from unrealized capital gains in the Alabama Trust Fund; and \$10,000,000 transferred from the Insurance Guaranty Fund.		

Effect of Federal Stimulus Funds and State Fiscal Stabilization Funds on State General Fund Expenditures

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2011 reduction
Total State General Fund appropriations	1,834,413,761	1,716,127,717	1,473,417,645	1,672,266,338	
Federal stimulus funds used to replace SGF dollars					
Medicaid FMAP		290,734,130	322,653,180	193,995,226	
Other agencies with Medicaid FMAP		63,349,618	72,219,688	40,865,822	
Corrections - State Fiscal Stabilization Funds			118,586,000		
Departmental Emergency Fund - State Fiscal Stabilization Funds			14,100,000		
Total federal stimulus funds used		354,083,748	527,558,868	234,861,048	
Total SGF plus federal stimulus	1,834,413,761	2,070,211,465	2,000,976,513	1,907,127,386	-93,849,127

- Appropriations are as of November 1, 2010